

ORIGINAL

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

JUN - 3 2008
DAVID J. HARRIS, CLERK
BY
DEPUTY

UNITED STATES OF AMERICA	§	
	§	
-VS.-	§	Criminal No. 4:08cr
	§	Judge
MICHAEL GUY CARY, SR.	§	

FACTUAL STATEMENT

It is hereby stipulated and agreed by Defendant **MICHAEL GUY CARY, SR.**

("CARY") that the following facts are true and correct:

1. **CARY** owned, operated, and controlled Harris Pauley Corporation, a business located at 1315 N. Federal Highway in Hollywood, Florida that was involved in real estate investments.
2. "Co-Conspirator Escrow Officer" owned, operated, and controlled RE Services, a business located at 101 W. Renner Road in Richardson, Texas that acted as a point of contact between real estate brokers, real estate agents, buyers and sellers of real estate, and title attorneys.
3. "Co-Conspirator Appraisers" were a real estate appraisers licensed by the state of Texas and responsible for independently appraising the value of houses that were in the sales process and submitting the independent appraisal to lending institutions so that the lending institutions could determine whether or not to fund mortgage loans.

4. "Co-Conspirator Investors" were individuals solicited by **CARY** through multiple national publications to invest in real estate by using their credit to qualify for and obtain mortgage loans in exchange for payments of between \$2,500 and \$5,000.

5. Argent Mortgage Company ("Argent") was a lending institution located at 2550 Golf in Rolling Meadows, Illinois, that accepted applications for and funded mortgage loans.

Criminal Conduct

6. Between on or about August 10, 2004 and on or about May 20, 2006 in the Eastern District of Texas, **CARY**, the Co-Conspirator Escrow Officer, the Co-Conspirator Appraisers, the Co-Conspirator Investors, and other individuals both known and unknown conspired, confederated, and agreed to devise a scheme and artifice to defraud Argent and other lending institutions and to obtain money from Argent and other lending institutions by means of false and fraudulent pretenses, representations, and promises, and in execution of the scheme and artifice, to cause writings, signs, and signals to be transmitted by means of wire communication in interstate commerce, a violation of Title 18, United States Code, Section 1343.

7. **CARY** knowingly and intentionally arranged for the following two types of simultaneous transactions to take place involving the sale and purchase of houses in the Eastern District of Texas and elsewhere:

A. First Transaction:

- (1) **CARY** identified or caused to be identified newly-constructed houses and their builders in the Eastern District of Texas and elsewhere and purchased or arranged to purchase these houses directly from the builders (e.g., Pulte Homes of Texas, Ltd.).

- (2) **CARY** knowingly and intentionally purchased or arranged to purchase these homes in the name of shell companies (e.g., "PHT Asset Management"); **CARY** used the shell companies in order to conceal his identity from the Co-Conspirator Investors and Argent and other lending institutions as a party to the transaction.
- (3) **CARY** knowingly and intentionally transferred or arranged to transfer the title of the houses from the shell companies into d/b/a names deceptively similar to the builders for the newly-constructed houses (e.g., "Pulte Homes, Inc."), **CARY** used these d/b/a names in order to make it appear to the Co-Conspirator Investors and to Argent and other lending institutions that builders still owned the houses and were selling them as new constructions.
- (4) **CARY** set up or caused to be set up bank accounts in d/b/a names deceptively similar to the builders for the newly-constructed houses that **CARY** identified (e.g., "Harris Pauley Corporation d/b/a Pulte Homes Inc.") (collectively "Deceptive Bank Accounts"); these names were in all instances similar to the legitimate builders' names and served to conceal from all parties to the transactions the true seller of the houses. **CARY** used these d/b/a names in order to make it appear to the Co-Conspirator Investors and to Argent and other lending institutions that builders still owned the houses and were selling them as new constructions.

- (5) **CARY** knowingly and intentionally directed the Co-Conspirator Appraisers to appraise the houses with fraudulently inflated values for resale purposes.
- (6) **CARY** contacted the Co-Conspirator Appraisers by means of wire communications and knowingly and intentionally directed the Co-Conspirator Appraisers to reach target prices for the houses by inflating the value of the houses by amounts ranging in value from in excess of \$30,000 to almost \$300,000. **CARY** knew that this would result in false representations being made to Argent and other lending institutions and intended for this to happen.
- (7) **CARY** knowingly and intentionally provided the Co-Conspirator Appraisers with supporting documents by means of wire communication in order to falsely justify the inflated appraisal amounts.
- (8) The Co-Conspirator Appraisers knowingly and intentionally completed the appraisals and falsely inflated the values of the houses as directed by **CARY**.
- (9) The Co-Conspirator Appraisers signed and certified the false appraisals as being true and correct knowing that these representations were material and false and that they would be relied upon by Argent and the lending institutions.

- (10) **CARY** and the Co-Conspirator Appraisers knowingly and intentionally caused the false appraisals to be submitted to Argent and other lending institutions by means of wire communication in order to induce Argent and other lending institutions to extend mortgage loans.
- (11) Argent and the other lending institutions relied in significant part on the false appraisals conducted by the Co-Conspirator Appraisers to extend mortgage loans to the Co-Conspirator Investors; Argent and the other lending institutions extended these loans by means of a wire transaction.
- (12) **CARY** knowingly and intentionally represented or caused to be represented to Argent and the lending institutions that these were new houses being sold directly by builders as opposed to those being held and sold by **CARY**-controlled business entities; **CARY** did so in order to mislead Argent and the lending institutions.
- (13) **CARY** intended for Argent and other lending institutions to rely on false material information in determining whether to extend a mortgage loan.

B. Second Transaction:

- (1) Using mail and wire communications, **CARY** falsely represented to the Co-Conspirator Investors that their credit information was needed only to make the initial purchase of the houses, and that

once purchased, the titles to the houses and the applicable mortgage loans would be transferred from the Co-Conspirator Investors to **CARY**'s name or into the name of Harris Pauley Corporation. **CARY** knew such representations were false but knowingly and intentionally made them in order to induce the Co-Conspirator Investors participate in the scheme to defraud

- (2) Using mail and wire communications, **CARY** falsely represented to the Co-Conspirator Investors that they would be purchasing newly-constructed houses directly from the builders; **CARY** knew such representations were false but knowingly and intentionally made them in order to induce the Co-Conspirator Investors to participate in the scheme to defraud. **CARY** instead intended to sell the Co-Conspirator Investors the houses that **CARY** had previously purchased and transferred into the d/b/a names deceptively similar to the builders for the newly-constructed houses.

- (3) **CARY** completed or caused to be completed Uniform Residential Loan Applications using the personal information of the Co-Conspirator Investors as well as falsified income and/or asset information; the Uniform Residential Loan Applications were directed at the purchase of the houses that **CARY** had previously purchased and transferred into the d/b/a names deceptively similar

to the builders for the newly-constructed houses. **CARY** knew that the information in the Uniform Residential Loan Application had material false statements but knowingly and intentionally made them in order to induce Argent and other lending institutions to extend mortgage loans.

- (4) **CARY** directed the Co-Conspirator Investors to sign and certify the Uniform Residential Loan Applications; **CARY** and the Co-Conspirator Investors then caused the Uniform Residential Loan Applications to be submitted to Argent and other lending institutions in order to cause Argent and other lending institutions to extend mortgage loans to the Co-Conspirator Investors for the purchase of the homes.
- (5) Argent and other lending institutions did in fact rely on the false material representations made by or at the direction of **CARY**.

8. The Co-Conspirator Escrow Officer arranged for the transactions identified in paragraph 7 to occur simultaneously in order to ensure that Argent and the lending institutions could not determine that **CARY** – not the builders – was the actual seller of the houses to the Co-Conspirator Investors.

9. Using mail and wire communications, the transactions were completed simultaneously at the behest of **CARY** and under the direction of the Co-Conspirator Escrow Officer as follows:

- A. The newly-constructed houses were purchased from the builder (e.g., Pulte Homes of Texas, Ltd.) in the name of the shell companies (e.g., "PHT Asset Management") in cash transactions and then transferred into deceptively similar names to the builders (e.g., "Pulte Homes, Inc.).
- B. The houses were sold to the Co-Conspirator Investors by **CARY** using the deceptively named entities (e.g., "Pulte Homes, Inc."). The Co-Conspirator Escrow Officer facilitated the transactions by transferring the money from the Co-Conspirator Investors (which was obtained as a loan from Argent and the lending institutions based on the false appraisals and the false statements regarding income and assets) to **CARY's** Deceptive Bank Accounts (e.g., account in the name of "Harris Pauley Corporation d/b/a Pulte Homes, Inc.)).
- C. The title to the home, as well as the mortgage loan, were placed in the name of the Co-Conspirator Investors.
- D. **CARY** received the bulk of the price differences between the amounts that **CARY** paid to purchase the houses from the builders and the amounts corresponding to the inflated appraisals based on which **CARY** sold the houses to the Co-Conspirator Investors.

10. **CARY** never transferred the title and mortgage into his name or the name of Harris Pauley Corporation despite his representations to the contrary, and the Co-Conspirator Investors were unaware that the titles to the houses and the mortgages remained in their names.

11. **CARY** paid the Co-Conspirator Investors for their role in obtaining the mortgage loans.

12. **CARY** paid the Co-Conspirator Appraisers for their role in performing the false appraisals.

13. **CARY** leased the homes to other individuals and collected rental payments from these individuals.

14. Argent did not receive payments on the mortgage loans from **CARY** or from the Co-Conspirator Investors and thereby suffered losses.

15. Despite having the houses as collateral for the mortgage loans, Argent did not recoup the value of the mortgage loans it had extended because the appraisals had been inflated; Argent thereby suffered losses.

16. In furtherance of the conspiracy and to effect its objects and purposes, **CARY**, the Co-Conspirator Escrow Officer, the Co-Conspirator Appraisers, the Co-Conspirator Investors, and other individuals both known and unknown knowingly and intentionally committed, among others, the following acts:

A. For a house at 1118 Silverhorn in Frisco, Texas, in the Eastern District of Texas:

- (1) On or about September 29, 2004, **CARY** directed a Co-Conspirator Appraiser to conduct a false appraisal.
- (2) On or about September 29, 2004, a Co-Conspirator Appraiser completed and signed a false appraisal reflecting a fraudulent inflation of \$70,000.

- (3) On or about October 6, 2004, a Co-Conspirator Appraiser caused the false appraisal to be sent by wire communication, to wit, electronic mail, from McKinney, Texas in the Eastern District of Texas to Argent in Rolling Meadows, Illinois.
- (4) On or about October 24, 2004, based in part on the false appraisal submitted by a Co-Conspirator Appraiser and instructions that **CARY** caused to be provided to Argent, Argent disbursed approximately \$315,000 by means of wire transaction to the Co-Conspirator Escrow Officer for payment to **CARY**.

B. For a house at 2230 Jaguar in Frisco, Texas, in the Eastern District of

Texas:

- (1) On or before May 23, 2005, **CARY** directed a Co-Conspirator Appraiser to conduct a false appraisal.
- (2) On or before May 23, 2005, a Co-Conspirator Appraiser completed and signed a false appraisal reflecting a fraudulent inflation of \$95,722.
- (3) On or before May 23, 2005, a Co-Conspirator Appraiser caused the false appraisal to be sent by wire communication, to wit, electronic mail, from McKinney, Texas in the Eastern District of Texas to Argent in Rolling Meadows, Illinois.
- (4) On or about June 16, 2005, based in part on the false appraisal submitted by a Co-Conspirator Appraiser and instructions that

CARY caused to be provided to Argent, Argent disbursed

approximately \$300,000 by means of wire transaction to the Co-

Conspirator Escrow Officer for payment to **CARY**.

17. The following is a summary of the houses for which **CARY**, the Co-Conspirator Escrow Officer, the Co-Conspirator Appraisers, the Co-Conspirator Investors, and other individuals both known and unknown submitted materially false information and caused a loss to a lending institution; the loss to the lending institution, where known, represents the difference between **CARY**'s initial purchase price and the false appraisal amount less any down payment paid to the lending institutions:

On or About:	Property Address in Texas		CARY Purchase Price	CARY Down Payment	CARY Sale Amount	Loss to Lender
4/1/2004	7105 Grand Hollow	Plano	(\$373,855.60)	(\$62,646.15)	\$553,775.29	\$117,273.54
4/1/2004	6628 Shadow Rock	Plano	(\$360,349.60)	(\$62,646.15)	\$553,761.29	\$130,765.54
4/23/2004	1905 Abilene Way	McKinney	(\$254,097.05)	(\$34,120.76)	\$300,566.66	\$12,348.85
4/26/2004	4100 Rocky Bend	Corinth	(\$206,102.21)	(\$31,480.56)	\$257,742.16	\$20,159.39
4/26/2004	4211 Creek Hill	Corinth	(\$206,229.67)	(\$29,975.03)	\$257,944.62	\$21,739.92
4/28/2004	7105 Falling Water	Plano	(\$326,468.14)	(\$46,660.39)	\$426,408.09	\$53,279.56
4/29/2004	4005 Windy Meadow	Corinth	(\$237,846.28)	(\$35,830.19)	\$317,103.44	\$43,426.97
4/29/2004	7108 Whisperfield	Plano	(\$330,808.08)	(\$47,209.31)	\$426,493.85	\$48,476.46
5/7/2004	7101 Falling Water	Plano	(\$397,548.51)	(\$63,509.15)	\$555,582.66	\$94,525.00
5/12/2004	4701 Paxton	Frisco	(\$536,315.80)	(\$158,579.79)	\$744,872.95	\$49,977.36
6/1/2004	4300 Landsdowne	McKinney	(\$349,180.98)	(\$43,619.89)	\$422,594.93	\$29,794.06
6/1/2004	11923 Cape Royal	Frisco	(\$260,702.67)	(\$39,318.87)	\$381,428.42	\$81,406.88
6/3/2004	11057 Silverhorn	Frisco	(\$222,646.64)	(\$18,883.24)	\$357,360.98	\$115,831.10
6/7/2004	11935 Cape Royal	Frisco	(\$260,105.21)	(\$41,699.60)	\$384,321.13	\$82,516.32
6/9/2004	2008 Mereta	McKinney	(\$260,353.03)	(\$40,860.49)	\$321,418.67	\$20,205.15
6/24/2004	11241 La Cantera	Frisco	(\$254,911.24)	(\$41,532.13)	\$384,947.66	\$88,504.29
7/13/2004	3620 Lindale	McKinney	(\$171,592.19)	(\$22,427.34)	\$194,728.19	\$708.66
7/13/2004	3505 Lindale	McKinney	(\$175,485.19)	(\$23,735.36)	\$201,710.13	\$2,489.58
7/22/2004	6629 Shady Point	Plano	(\$382,412.58)	(\$47,106.71)	\$442,583.00	\$13,063.71
7/22/2004	11481 La Cantera	Frisco	(\$254,776.99)	(\$44,617.33)	\$386,518.41	\$87,124.09
7/27/2004	3805 Lindale	McKinney	(\$171,590.73)	(\$21,776.74)	\$194,496.34	\$1,128.87
7/27/2004	3508 Lindale	McKinney	(\$190,430.59)	(\$12,068.73)	\$209,245.42	\$6,746.10
7/28/2004	3616 Lindale	McKinney	(\$188,239.70)	(\$24,492.46)	\$205,534.82	(\$7,197.34)
7/28/2004	1912 Chessington	McKinney	(\$193,939.70)	(\$24,042.01)	\$223,899.31	\$5,917.60
7/28/2004	3612 Cockrill	McKinney	(\$198,879.70)	(\$28,204.10)	\$262,645.31	\$35,561.51
7/30/2004	3704 Lindale	McKinney	(\$179,689.70)	(\$25,383.11)	\$217,790.98	\$12,718.17

CARY - FACTUAL STATEMENT

8/2/2004	11258 La Cantera	Frisco	(\$253,000.00)	(\$42,085.11)	\$367,093.29	\$72,008.18
8/9/2004	6609 Terrace Mill	Frisco	(\$370,227.72)	(\$47,722.23)	\$473,638.14	\$55,688.19
8/11/2004	7550 Creekmere	Frisco	(\$209,069.97)	(\$26,816.49)	\$244,521.34	\$8,634.88
8/12/2004	3700 Lindale	McKinney	(\$231,538.65)	(\$12,473.87)	\$259,261.52	\$15,249.00
10/20/2004	2402 Mallory	Corinth	(\$171,305.62)	(\$23,505.02)	\$206,712.88	\$11,902.24
10/20/2004	3113 Juneau	Corinth	(\$171,305.62)	(\$23,376.02)	\$206,712.88	\$12,031.24
10/20/2004	3210 Juneau	Corinth	(\$176,105.53)	(\$26,349.84)	\$231,724.59	\$29,269.22
10/21/2004	11082 Downbrook	Frisco	(\$198,726.06)	(\$31,763.39)	\$281,617.67	\$51,128.22
10/22/2004	3203 Juneau	Corinth	(\$166,805.79)	(\$28,943.74)	\$206,878.05	\$11,128.52
10/22/2004	2413 Thorntree	Frisco	(\$258,731.66)	(\$39,668.86)	\$356,277.08	\$57,876.56
10/25/2004	11226 La Cantera	Frisco	(\$252,514.81)	(\$44,103.05)	\$378,894.03	\$82,276.17
10/27/2004	974 Shiprock	Frisco	(\$184,221.07)	(\$28,943.74)	\$258,731.40	\$45,566.59
10/28/2004	11118 Silverhorn	Frisco	(\$245,702.45)	(\$34,410.83)	\$311,499.87	\$31,386.59
10/29/2004	11068 Downbrook	Frisco	(\$195,608.59)	(\$29,595.79)	\$258,698.20	\$33,493.82
11/1/2004	3409 Cockrill	McKinney	(\$202,495.51)	(\$29,205.19)	\$240,788.12	\$9,087.42
11/1/2004	11033 Downbrook	Frisco	(\$195,607.26)	(\$29,700.31)	\$259,690.87	\$34,383.30
11/1/2004	11054 Downbrook	Frisco	(\$202,495.51)	(\$34,276.77)	\$278,588.82	\$41,816.54
11/15/2004	2501 Del Largo	Frisco	(\$226,640.13)	(\$32,863.30)	\$277,313.92	\$17,810.49
11/18/2004	1756 Vermont	Allen	(\$328,157.49)	(\$50,875.65)	\$420,486.37	\$41,453.23
11/30/2004	2102 Glen Manor	Corinth	(\$219,365.67)	(\$37,873.11)	\$319,495.09	\$62,256.31
12/2/2004	2015 Glen Manor	Corinth	(\$193,175.66)	(\$29,463.02)	\$257,780.67	\$35,141.99
12/2/2004	3505 Navarro	Frisco	(\$216,472.53)	(\$32,281.45)	\$286,465.06	\$37,711.08
12/3/2004	2105 Glen Manor	Corinth	(\$193,175.68)	(\$29,430.40)	\$257,738.10	\$35,132.02
12/3/2004	3489 Navarro	Frisco	(\$212,473.18)	(\$32,461.64)	\$288,313.48	\$43,378.66
12/6/2004	2113 Glen Manor	Corinth	(\$189,215.71)	(\$28,287.98)	\$247,794.60	\$30,290.91
12/6/2004	2110 Glen Manor	Corinth	(\$219,365.67)	(\$35,633.61)	\$317,430.66	\$62,431.38
12/10/2004	3425 Navarro	Frisco	(\$213,465.93)	(\$34,598.64)	\$283,939.17	\$35,874.60
12/20/2004	2325 Aspermont	Frisco	(\$238,900.19)	(\$48,305.54)	\$354,244.46	\$67,038.73
12/28/2004	4010 Waverly	Corinth	(\$219,310.65)	(\$35,921.73)	\$317,386.29	\$62,153.91
2/7/2005	14525 Crystal Lake	Little Elm	(\$171,122.73)	(\$37,057.99)	\$258,691.99	\$50,511.27
2/7/2005	14536 Little Anne	Little Elm	(\$171,122.73)	(\$37,030.99)	\$258,691.99	\$50,538.27
2/23/2005	1004 Sahallee	Frisco	(\$220,649.91)	(\$48,934.40)	\$328,280.22	\$58,695.91
2/23/2005	1200 Talley	Frisco	(\$213,699.91)	(\$44,526.32)	\$328,266.99	\$70,040.76
2/23/2005	1019 Colleton	Frisco	(\$211,750.91)	(\$44,213.94)	\$328,168.65	\$72,203.80
2/24/2005	6905 Cabbot	Plano	(\$292,113.49)	(\$52,734.99)	\$470,035.61	\$125,187.13
2/28/2005	4003 Windy Meadow	Corinth	(\$195,549.85)	(\$36,056.34)	\$259,615.58	\$28,009.39
3/1/2005	2007 Glen Manor	Corinth	(\$220,549.84)	(\$41,289.73)	\$300,540.47	\$38,700.90
4/4/2005	701 Williams	Allen	(\$385,485.60)	(\$59,867.30)	\$463,111.35	\$17,758.45
4/26/2005	2101 Glen Manor	Corinth	(\$206,046.94)	(\$28,263.66)	\$263,221.48	\$28,910.88
4/27/2005	4100 Waverly	Corinth	(\$176,047.02)	(\$27,299.37)	\$251,814.46	\$48,468.07
5/9/2005	14508 Little Anne	Little Elm	(\$181,019.74)	(\$37,299.32)	\$266,698.98	\$48,379.92
5/25/2005	14521 Little Anne	Little Elm	(\$180,967.71)	(\$37,175.26)	\$266,892.65	\$48,749.68
5/31/2005	7025 Autumnwood	Plano	(\$328,484.89)	(\$63,555.50)	\$509,002.14	\$116,961.75
6/17/2005	2266 Jaguar	Frisco	(\$204,327.33)	(\$33,075.93)	\$290,712.38	\$53,309.12
6/17/2005	2230 Jaguar	Frisco	(\$204,277.82)	(\$33,075.93)	\$290,712.38	\$53,358.63
6/29/2005	4105 Waverly	Corinth	(\$201,364.19)	(\$34,317.05)	\$261,061.65	\$25,380.41
6/29/2005	4106 Waverly	Corinth	(\$216,364.19)	(\$36,502.61)	\$278,754.11	\$25,887.31
7/28/2005	7029 Autumnwood	Plano	(\$280,872.47)	(\$119,560.03)	\$465,626.47	\$65,193.97

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8/8/2005	6901 Medallion	Plano	(\$348,961.06)	(\$127,019.16)	\$587,779.39	\$111,799.17
8/30/2005	934 Falcon	Murphy	(\$276,024.11)	(\$100,527.72)	\$411,535.93	\$34,984.10
9/7/2005	935 Blue Jay	Murphy	(\$275,914.83)	(\$104,656.86)	\$416,588.66	\$36,016.97
9/29/2005	5521 Post Ridge	Ft. Worth	(\$171,290.58)	(\$52,814.35)	\$278,961.08	\$54,856.15
10/3/2005	817 Rushmore	Allen	(\$243,785.78)	(\$91,304.93)	\$395,804.60	\$60,713.89
11/17/2005	370 Parkvillage	Fairview	(\$282,774.16)	(\$126,441.61)	\$539,459.27	\$130,243.50
11/28/2005	385 Fairlanding	Fairview	(\$292,127.09)	(\$131,022.40)	\$560,903.50	\$137,754.01
12/1/2005	11954 Singing Brook	Frisco	(\$237,155.16)	(\$92,416.67)	\$396,550.50	\$66,978.67
12/20/2005	15561 Durango	Frisco	(\$237,125.80)	(\$97,556.49)	\$396,947.80	\$62,265.51
12/27/2005	11835 Singing Brook	Frisco	(\$236,343.56)	(\$92,742.63)	\$397,116.80	\$68,030.61
1/3/2006	12556 Littlefield	Frisco	(\$237,204.71)	(\$96,337.68)	\$414,900.50	\$81,358.11
1/5/2006	11851 Singing Brook	Frisco	(\$236,889.31)	(\$96,972.96)	\$397,004.50	\$63,142.23
1/6/2006	15672 Palo Pinto	Frisco	(\$237,189.61)	(\$93,745.56)	\$396,939.50	\$66,004.33
1/6/2006	15698 Palo Pinto	Frisco	(\$237,095.79)	(\$92,766.55)	\$397,052.42	\$67,190.08
1/19/2006	11923 Tyler	Frisco	(\$237,433.16)	(\$96,847.13)	\$414,861.00	\$80,580.71
1/23/2006	1252 Pelican	Frisco	(\$237,289.88)	(\$110,904.56)	\$473,541.00	\$125,346.56
1/24/2006	12002 Yoakum	Frisco	(\$237,433.17)	(\$96,348.10)	\$414,793.03	\$81,011.76
1/27/2006	11799 Stephenville	Frisco	(\$237,433.16)	(\$98,245.37)	\$414,860.58	\$79,182.05
1/31/2006	12055 Stephenville	Frisco	(\$237,298.98)	(\$99,212.01)	\$414,727.34	\$78,216.35
2/7/2006	1152 Pelican	Frisco	(\$237,202.20)	(\$110,615.29)	\$473,649.64	\$125,832.15
2/8/2006	1134 Pelican	Frisco	(\$237,184.65)	(\$108,300.91)	\$473,573.41	\$128,087.85
2/16/2006	12074 Yoakum	Frisco	(\$237,134.99)	(\$96,905.93)	\$414,629.30	\$80,588.38
3/1/2006	11775 Stephenville	Frisco	(\$237,334.05)	(\$97,621.67)	\$414,571.51	\$79,615.79
3/22/2006	13712 Valley Mills	Frisco	(\$196,103.50)	(\$74,850.71)	\$315,940.51	\$44,986.30
3/31/2006	13748 Valley Mills	Frisco	(\$196,088.69)	(\$74,242.37)	\$317,207.08	\$46,876.02
4/4/2006	11946 Yoakum	Frisco	(\$237,433.16)	(\$95,743.60)	\$414,626.65	\$81,449.89
4/5/2006	2442 Mackinac	Frisco	(\$196,088.61)	(\$73,424.77)	\$317,235.41	\$47,722.03
4/18/2006	12004 Stephenville	Frisco	(\$237,079.04)	(\$98,818.35)	\$406,952.00	\$71,054.61
7/11/2006	1611 Lake Eden	Eules	(\$216,010.89)	(\$47,986.48)	\$311,328.72	\$47,331.35
7/11/2006	1610 Lake Eden	Eules	(\$215,894.03)	(\$47,867.71)	\$311,219.95	\$47,458.21
unknown	1712 Lakeshore	Eules	(\$227,733.66)	(\$78,579.07)	\$341,246.75	\$34,934.02
unknown	15835 Ducote	Frisco	(\$236,818.51)	(\$92,957.41)	\$396,905.41	\$67,129.49
unknown	12006 Kingsville	Frisco	(\$237,338.50)	(\$99,324.13)	\$414,575.44	\$77,912.81
unknown	12025 Tyler	Frisco	(\$237,180.49)	(\$98,576.45)	\$414,861.00	\$79,104.06
unknown	367 Parkvillage	Fairview	(\$301,737.19)	(\$121,031.54)	\$536,194.00	\$113,425.27
unknown	353 Benton	Fairview	(\$253,765.76)	(\$67,200.23)	\$506,347.30	\$185,381.31

18. For the houses identified in paragraph seventeen (17), lending institutions incurred a minimum of \$6,172,901.25 in losses resulting from the scheme to defraud.

19. **CARY** also conducted the scheme to defraud as described in the Information and this Factual Statement with respect to the following homes, causing losses to the lending institutions:

Property Address	City, State
1005 Colleton	Frisco, TX
1035 Talley	Frisco, TX
1052 Pelican	Frisco, TX
1070 Pelican	Frisco, TX
1092 Talley	Frisco, TX
1098 Pelican	Frisco, TX
11 Shadow Ridge	Frisco, TX
11007 Sonterra	Frisco, TX
11026 La Cantera	Frisco, TX
11098 Downbrook	Frisco, TX
1116 Pelican	Frisco, TX
1121 Henson	Unknown
11425 Crystal Lake	Little Elm, TX
1147 Resaca	Frisco, TX
1164 Talley	Frisco, TX
1183 Resaca	Frisco, TX
11899 Cape Royal	Frisco, TX
11906 Yoakum	Frisco, TX
11922 Cape Royal	Frisco, TX
11971 Cape Royal	Frisco, TX
11974 Kingsville	Frisco, TX
11977 Tyler	Frisco, TX
12054 Kingsville	Frisco, TX
12076 Stephenville	Frisco, TX
1219 Resaca	Frisco, TX
1325 Pelham	Unknown
13572 Valley Mills	Frisco, TX
1371 Scarboro	Rockwall, TX
1436 Rio Grande	Allen, TX
1505 Greenbriar	Allen, TX
1544 Kingfisher	Frisco, TX
15695 Palo Pinto	Frisco, TX
15863 Scenic	Frisco, TX
1593 Kingfisher	Frisco, TX
1617 Kingfisher	Frisco, TX
1703 Lake Eden	Eules, TX
1717 Chessington	McKinney, TX
1800 Creek Bend	Corinth, TX
1921 Creek Bend	Corinth, TX
2028 Sleepy Hollow	Frisco, TX

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2072 Sleepy Hollow	Frisco, TX
2092 Sleepy Hollow	Frisco, TX
2106 Glen Manor	Corinth, TX
2148 Sleepy Hollow	Frisco, TX
2194 Jaguar	Frisco, TX
2216 Frio	Keller, TX
2232 Fountain Glen	Frisco, TX
2497 Thorntree	Frisco, TX
2538 Lockhaven	Frisco, TX
26751 Baker	Unknown
3008 Prestonwood	Plano, TX
3504 Cockrill	McKinney, TX
3516 Cockrill	McKinney, TX
3520 Lindale	McKinney, TX
3561 Navarro	Frisco, TX
357 Spring Meadow	Fairview, TX
360 Spring Meadow	Fairview, TX
3600 Cockrill	McKinney, TX
361 Spring Meadow	Fairview, TX
3713 Lindale	McKinney, TX
373 Parkvillage	Fairview, TX
377 Spring Meadow	Fairview, TX
378 Fairlanding	Fairview, TX
380 Parkvillage	Fairview, TX
3800 Maverick	McKinney, TX
3801 Lindale	McKinney, TX
3810 Marchwood	Unknown
382 Spring Meadow	Fairview, TX
3900 Cockrill	McKinney, TX
4104 Rocky Bend	Corinth, TX
41096 Yoakum	Frisco, TX
4111 Creek Hill	Corinth, TX
4200 Creek Falls	Corinth, TX
4324 Windswept	Grapevine, TX
4610 Waverly	Corinth, TX
4722 Coyote	Dallas, TX
4726 Coyote	Dallas, TX
4730 Coyote	Dallas, TX
4734 Coyote	Dallas, TX
4738 Coyote	Dallas, TX
5284 Quail Run	Frisco, TX
5567 Emerson	Fairview, TX
5575 Emerson	Fairview, TX
5587 Jameson Crossing	Fairview, TX
5595 Jameson Crossing	Fairview, TX
5606 Emerson	Fairview, TX
5607 Emerson	Fairview, TX
5611 Emerson	Fairview, TX

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5917 Sicilian	Plano, TX
614 Goliad	Keller, TX
614 Roanoke	Allen, TX
638 Cabernet	McKinney, TX
6601 Terrace Mill	Frisco, TX
6605 Terrace Mill	Frisco, TX
6613 Terrace Mill	Frisco, TX
6816 Hawks Nest	Dallas, TX
6820 Hawks Nest	Dallas, TX
7009 Fullerton	Plano, TX
703 Williams	Allen, TX
9214 Commonwealth	Frisco, TX
9225 Prestwick	Frisco, TX

Concealment of Illegal Proceeds and Promotion of the Criminal Enterprise

20. **CARY** knowingly and intentionally took most if not all of the proceeds that he fraudulently obtained from the investors and transmitted them by wire communication through several bank accounts in order to conceal their nature, location, source, ownership, and control.

21. **CARY** also knowingly and intentionally used some the proceeds that he fraudulently obtained from the investors to conceal and promote his criminal enterprise and obtain more funds from more investors.

22. The following transaction is representative of the efforts that **CARY** undertook in order to conceal the nature, location, source, ownership, and control of the funds that he fraudulently obtained from the investors:

A. On or about March 29, 2004, **CARY**, through American Title in the Eastern District of Texas, directed Ameriquist Mortgage Company to wire \$509,043.45 to the American Title escrow account numbered 86947900 held at Compass Bank ("Compass Escrow Account") for the purchase of a house located at 7105 Grand Hollow in Frisco, Texas in the Eastern District of Texas by a Co-Conspirator Investor from **CARY** using the deceptively named "Weekley Homes, Inc."

B. On or about March 30, 2004, **CARY** caused Harris Pauley Corporation to wire \$62,646.15 from Bank of America account number 4780530812 to the Compass Escrow Account representing the down payment on the house located at 7105 Grand Hollow in Frisco, Texas in the Eastern District of Texas. **CARY** also caused the Co-Conspirator Escrow Officer to provide writing instructions originating from the Eastern District of Texas to Compass Bank directing Compass Bank to wire \$553,775.29 from the Compass Escrow Account to Harris Pauley Corporation d/b/a Weekley Homes, Inc. at Bank of America bearing account number 4780647608.


C. On or about April 1, 2004, **CARY** directed a wire payment of \$373,855.60 to RE Services' Bank of Texas account numbers 2891020657 for the initial purchase of the house located at 7105 Grand Hollow in Frisco, Texas directly from the builder.

D. On or about April 1, 2004, **CARY** caused amounts of \$99,999.99 and \$99,000.00 to be transferred from the Harris Pauley Corporation d/b/a Weekley Homes, Inc. Bank account at Bank of America bearing account number 4780647608 to the Harris Pauley bank account at Bank of America bearing account number 4780657973.

SIGNATURE AND ACKNOWLEDGMENT BY
DEFENDANT MICHAEL GUY CARY, SR.

I have read this Factual Statement and have discussed it with my attorney. I fully understand the contents of this Factual Statement and agree without reservation that it accurately describes my acts.

Dated: 4/30/08




MICHAEL GUY CARY, SR.
Defendant

SIGNATURE AND ACKNOWLEDGMENT BY ATTORNEY FOR DEFENDANT

I have read this Factual Statement and the Information and have reviewed them with my client. Based upon my discussions with my client, I am satisfied that my client fully understands the Factual Statement.

Dated: 5/6/08



MICHAEL J. LHL
Attorney for Defendant